

Environmental Accounting

Nippon Paint implements environmental accounting to survey, analyze and manage costs associated with environmental conservation activities and resulting environmental effects and economic benefits, releasing the data that resulted.

Environmental Accounting Policy

Environmental costs of Nippon Paint Co., Ltd. (on a non-consolidated basis) for fiscal 2008 were classified and calculated with reference to the “Environmental Accounting Guidelines (2005 Edition)” issued by Japan’s Ministry of the Environment.

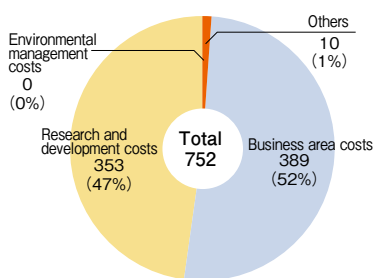
As part of our plant revival plan, personnel re-allocation and transfer of equipment were carried out during the fiscal year, which made it difficult to track personnel costs and depreciation costs among the

environmental conservation costs. Therefore, these costs were not included in environmental cost calculations.

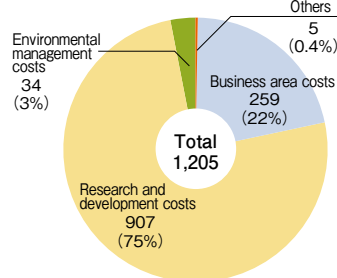
Economic benefit calculation covered proceeds from recycling, cost savings from energy conservation activities, treatment cost savings from reduction of waste, and other benefits resulting from environmental conservation measures, which can be assessed in monetary values. Estimated benefits and social benefits based on hypothetical calculation are not included.

Environmental Conservation Costs

▶ Investments (Units: ¥ millions)



▶ Costs (Units: ¥ millions)



Note: Personnel costs, depreciation costs and electricity costs are excluded.

Effects of Environmental Conservation

(Amount of Reduction)

Item	Reduction*	
Air pollution	SOx emissions (tons)	-2.9
	NOx emissions (tons)	-7.5
	Soot particles (tons)	0.07
Water contaminants (COD) (tons)	-4.5	
Amount of energy usage [calorie basis] (GJ)	-67,313	
CO ₂ emissions (tons-CO ₂)	-3,964	
Amount of water used (1,000m ³)	-10	
Outsourced waste disposal (tons)	-1,477	

* By comparison with a previous year

Economic Benefits

(Units: ¥ millions)

Item	Benefits
Proceeds from recycling	86
Savings in resource input costs	128
Savings in environmental impact and waste disposal costs	3
Savings in other costs	7

Results of FY2008 Environmental Accounting

In fiscal 2008, investments in environmental conservation costs amounted to 752 million yen. The investments were used for renewal of energy-efficient equipment and deployment of heat-insulating measures, both of which contributed to reducing energy usage and air-polluting substance emissions.

Another contributor to energy usage reduction was the decline in production volume due to the economic downturn that began in the second half of fiscal 2008.